

## **NOTICE OF 55TH ANNUAL GENERAL MEETING**

Notice is hereby given that the 55th Annual General Meeting (“AGM”) of the Shareholders of United Bank Limited (the “Bank”) will be held on Friday, 28 March 2014 at 09:30 a.m. at Islamabad Serena Hotel, Islamabad to transact the following business:

### **ORDINARY BUSINESS:**

1. To confirm the minutes of the Annual General Meeting held on 29 March 2013.
2. To receive, consider and, if thought fit, adopt the Annual Audited Accounts (consolidated and unconsolidated), Statement of Compliance with the Code of Corporate Governance 2012 of the Bank for the year ended 31 December 2013 together with the Directors’ Report and Auditors’ Report thereon.
3. To consider and, if thought fit, approve as recommended by the Board of Directors, final cash dividend at the rate of Rs.4/- per share i.e. 40%, in addition to 60% interim dividend already declared/paid for the year ended 31 December 2013.
4. To consider and, if thought fit, appoint two external auditors to hold office from this AGM till the conclusion of the next AGM of the Bank and to fix their remuneration. One of the members has proposed name of M/s. A. F. Ferguson & Company, Chartered Accountants, in place of retiring Auditors M/s. BDO Ebrahim & Company, Chartered Accountants who have completed five years as external auditors of the Bank (The Code of Corporate Governance 2012 requires that listed companies in the financial sector shall change their external auditors every five years), whereas the other retiring auditors, M/s. KPMG Taseer Hadi & Company, Chartered Accountants being eligible, have offered themselves for reappointment.
5. To elect seven (07) Directors as fixed by the Board of Directors of the Bank under Section 178(1) of the Companies Ordinance, 1984 in accordance with the provisions of the said Ordinance for a period of three years to commence from 28 March 2014. The total strength of the Board of Directors of the Bank shall be nine (09) including one (01) director nominated by the Government of Pakistan under Section 183 of the Companies Ordinance, 1984 and the President & CEO of the Bank, being deemed director under section 200(2) of the Companies Ordinance, 1984.

The retiring Directors Sir Mohammed Anwar Pervez, OBE, HPk, Mr. Zameer Mohammed Choudrey, Mr. Amin Uddin, Mr. Arshad Ahmed Mir, Mr. Haider Zameer Choudrey and Mr. Zaheer Sajjad are eligible for re-election.

### **SPECIAL BUSINESS:**

6. To consider and, if thought fit, approve the amount of remuneration paid to the non-executive Directors of the Bank for attending the Board and/or Committees meetings held during the year and in that connection to pass the following resolution, as an ordinary resolution, with or without modification, addition or deletion:

“RESOLVED that the remuneration paid to the non-executive directors of UBL including the Chairman and the Deputy Chairman during the year 2013 for attending the Board meetings and / or Committees meetings as disclosed in the Note 38 of the Audited Financial Statements of the Bank for the year ended 31 December 2013 be and is hereby confirmed and approved on post facto basis.”

7. To consider and, if thought fit, approve investment of PKR 30 million in the form of Seed-Capital in UBL Retirement Savings Fund of UBL Fund Managers Limited, a wholly owned subsidiary of the Bank, and in that connection to pass the following resolution, as a special resolution, as required by Section 208 of the Companies Ordinance, 1984 with or without modification, addition or deletion:

“RESOLVED that the Bank be and is hereby authorized to invest up to PKR 30 million in the form of Seed Capital in UBL Retirement Savings Fund - Commodity sub-Fund of UBL Fund Managers Limited, a wholly owned subsidiary of the Bank.”

8. To consider and, if thought fit, approve proposal for injection of Tier-1 Capital of United National Bank Limited (UBL UK), a subsidiary of the Bank for an amount of up to £ 8.25 million and in that connection to pass the following resolution, as a special resolution, as required by Section 208 of the Companies Ordinance, 1984 with or without modification, addition or deletion:

“RESOLVED that the proposal for injection of Tier – 1 Capital of United National Bank Limited (UBL UK), a subsidiary of the Bank, for an amount of up to £ 8.25 million be and is hereby approved subject to all applicable regulatory approvals.”

9. To consider and, if thought fit, approve the additional cost of PKR 0.516 million to be paid to the External Auditors for the year 2013 resulting from levy of 4% sales tax on services provided by auditors and in that connection to pass the following resolution, as an ordinary resolution, with or without modification, addition or deletion:

“RESOLVED that the additional amount of PKR 0.516 million to be paid to the External Auditors resulting from levy of 4% sales tax on services provided by auditors be and is hereby approved”.

10. To transact any other business with the permission of the Chairman.

**By order of the Board**

Sd/-  
**Aqeel Ahmed Nasir**  
Company Secretary &  
Chief Legal Counsel

Karachi, 6 March 2014

## NOTES:

1. The Share Transfer Books of the Bank shall remain closed from 20 March 2014 to 28 March 2014 (both days inclusive). Transfers received at M/s. THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi, the Registrar and Share Transfer Agent of the Bank, by the close of the business on 19 March 2014 will be treated in time for the purpose of the above entitlement.
2. A member entitled to attend and vote at the above Annual General Meeting is entitled to appoint another member as a proxy to attend and vote for on his/her behalf, save that a corporation being a member may appoint as its proxy an officer of such corporation whether a member of the company or not. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarized certified copy of the power or authority shall be deposited at the office of M/s. THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi, the Registrar and Share Transfer Agent of the Bank not later than 48 hours before the time of holding the meeting, and must be duly stamped, signed and witnessed.
3. The CDC Account Holders and Sub-account Holders, whose registration details are available in the Share Book Details Report, shall be required to produce their respective original Computerized National Identity Card (CNIC) or original Passport at the time of attending the Annual General Meeting to facilitate identification. Such Account Holders and Sub-Account Holders should also bring / know their respective participation I.D. No. and the CDC Account No. in case of proxy, he/she must enclose an attested copy of his/her CNIC or Passport. Representative(s) of corporate member(s) should bring usual documents required for such purpose.
4. Members are requested to timely notify any change in their addresses and provide copies of their CNIC /NTN (if not provided earlier) to Bank's Registrar / Share Transfer Agent M/s. THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi.
5. The election provisions will not apply to the Government nominee Director who has been nominated on the Board of Directors of UBL by the Government of Pakistan under Section 183 of the Companies Ordinance, 1984.
6. Any person who seeks to contest the election to the office of a Director, whether he is a retiring director or otherwise, shall file the following documents with the Company Secretary of the Bank at 2nd Floor, State Life Building No.1, I.I.Chundrigar Road, Karachi, not later than fourteen days before the date of the AGM:
  - (i) His intention to offer himself for the election of directors in terms of Section 178(3) of the Companies Ordinance, 1984 together with: (a) consent in Form 28 under Section 184 of the Companies Ordinance, 1984, (b) a Declaration under clause (ii) of the Code of Corporate Governance 2012 of the Securities and Exchange Commission of Pakistan to the effect that he is not a director of more than seven (07) listed companies, (c) a Declaration that he is not ineligible to become director of UBL in terms of Section 187 of the Companies Ordinance, 1984, (d) a Declaration that he is not ineligible to become a director of UBL under any circulars / directives of the State Bank of Pakistan.
  - (ii) A questionnaire duly completed, recent photograph, copy of CNIC / Passport and an Affidavit to, inter alia, meet the requirement of State Bank of Pakistan's Prudential Regulations G-1 and the Fit and Proper Test for Appointment of Directors as contained in Annexure VI-A and VI-B of the Prudential Regulations.

7. In terms of the criteria prescribed by the State Bank of Pakistan, association of the following person as director is undesirable and against public interest:
- a) A person who is / has been associated with any illegal activity, especially relating to banking business;
  - b) A person who is in his individual capacity or a proprietary concern of any partnership firm or any private limited company or any unlisted public company or any listed public company (of which he has been a proprietor, partner, director or shareholder), has been in default of payment of dues owed to any financial institution and / or in default of payment of any taxes.

# STATEMENT OF MATERIAL FACTS

under Section 160(1)(b) of the Companies Ordinance, 1984

## Item No.6: Remuneration of the Non-Executive Directors of the Bank

As required under SBP Prudential Regulation G-1, total amount of remuneration paid/payable to the non-executive directors including the Chairman and the Deputy Chairman for attending the Board meetings and/or Committees meetings during the year 2013 as disclosed in Note 38 of the Audited Financial Statement is submitted to the shareholders for approval on a post facto basis.

## Item No.7: Investment of PKR 30 million in Seed-Capital in UBL Retirement Saving Fund

UBL Fund Managers Limited (UBLFM), a wholly owned subsidiary of the Bank, plans to launch “Commodity sub-Fund” under the UBL Retirement Savings Fund (URSF). The new sub-fund will primarily invest in Gold Futures, following the same passive strategy as that of “UBL Gold Fund”. UBLFM has requested UBL to invest PKR 30 million in URSF Commodity sub-Fund as Seed Capital Investment.

i.	Name of associated company or associated undertaking along with criteria based on which the associated relationship is established	UBL Retirement Savings Fund – Commodity sub-Fund Managed by UBL Fund Managers Ltd
ii.	Purpose, benefits and period of investments	<b>Purpose:</b> Seed-Capital requirement of the commodity sub-Fund planned for launch. <b>Benefit:</b> It will allow UBL Fund Managers, a subsidiary of the Bank, to launch the commodity sub-Fund, the second such fund in Pakistan. It will also give the Bank an exposure to Gold asset class. <b>Period of investment:</b> 3 years
iii.	Maximum amount of investment	The Seed Capital requirement is PkR 30mn.
iv.	Maximum price at which securities will be acquired	The Seed-Capital units of Commodity sub-Fund will be acquired at price of PkR 100 per unit in pre-IPO stage.
v.	Maximum number of securities to be acquired	Since the Seed-Capital of PkR 30mn is required, therefore the number of units will be 300,000 units.
vi.	Number of securities and percentage thereof held before and after the proposed investment	N / A, as the investment being sought is for Seed-Capital of a new sub-Fund yet to be launched.
vii.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	N / A, as the investment being sought is for Seed-Capital of a new sub-Fund yet to be launched
viii.	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	N / A, as the investment being sought is for Seed-Capital of a new sub-Fund yet to be launched.
ix.	Break-up value of securities intended to be acquired on the bases of latest audited financial statements	N / A, as the investment being sought is for Seed-Capital of a new sub-Fund yet to be launched.
x.	Earning per share of the associated company or associated undertaking for the last three years.	CY2011: PkR 2.400 /share CY2012: PkR 6.523 / share (diluted: PkR 6.521) CY2013: PkR 4.878 / share (diluted: PkR 4.853)

xi.	Source of fund from which securities will be acquired	Seed Capital units of Commodity sub-Fund will be acquired using funds allocated for such investment by the Bank.
xii.	Where the securities are intended to be acquired using borrowed funds  a) Justification for investment through borrowings and  b) Detail of guarantees and assets pledged for obtaining such funds	N /A.
xiii.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	Standard features of Seed-Capital investment apply. The main feature is that the investment cannot be redeemed before 3 years.
xiv.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	N /A, as the investment being sought is for Seed-Capital of a new sub-Fund yet to be launched.
xv.	Any other important details necessary for the members to understand the transaction	The investment is a standard Seed-Capital investment in UBL Retirement Savings Fund – Commodity sub-Fund
xvi.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information required, namely  a) Description of the project and its history since conceptualization  b) Starting and expected dated of completion of work  c) Time by which such project shall become commercially operational; and  d) Expected time by which the project shall start paying return on investment	The investment being sought is for Seed-Capital of a new sub-Fund expected to be launched in 2QCY2014

**Item No.8: Injection of Tier-1 Capital of United National Bank Limited (UBL UK) for an amount of up to £ 8.25 million**

United National Bank Limited (UBL UK) is a banking company incorporated in the United Kingdom and is regulated by the Prudential Regulation Authority, UK (PRA) and the Financial Conduct Authority, UK (FCA) and is subject to the PRA's Minimum Capital Requirements (MCR). PRA requires all banks and bank subsidiaries to be self-sufficient in terms of liquidity and capital requirements and expects that all banks keep a level of capital buffer (CPB) over and above the designated minimum limits to provide a cushion against adversely changing economic conditions.

The PRA expects that UBL UK's parent banks (UBL and National Bank of Pakistan) will ensure that required capital is injected into the subsidiary company as a demonstration of commitment and support of the shareholders towards UBL UK. The PRA is not satisfied with current capital levels and has indicated that it considers the Bank to be 'thinly-capitalized'.

The recent calculations submitted to PRA indicate that currently growth in business of UBL UK is restricted by the capital requirements based on business plan projections. Therefore, an additional £15m (or USD equivalent) of Tier-1 Capital needs to be injected by the two parent banks in 2014, after which, capital resources are forecasted to be sufficient to meet the capital requirements of UBL UK and sustain growth in business in 2014.

i.	Name of associated company or associated undertaking along with criteria based on which the associated relationship is established	United National Bank Limited (UBL UK) UBL holds 55% shares and the balance 45% shares are held by National Bank of Pakistan
ii.	Purpose, benefits and period of investments	To ensure that the subsidiary is adequately capitalized and meets the requirements of regulatory authorities in the United Kingdom.
iii.	Maximum amount of investment	£8.25 million (This is the proportionate amount of equity investment to be made by UBL as 55% shareholder. National Bank of Pakistan will invest £ 6.75 million as the 45% shareholder).
iv.	Maximum price at which securities will be acquired	At par value of £ 1 per share.
v.	Maximum number of securities to be acquired	8.25 million shares
vi.	Number of securities and percentage thereof held before and after the proposed investment	Before: 16.5 million shares constituting 55% of the issued and paid up capital. After: 25 million shares constituting 55% of the issued and paid capital
vii.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not applicable
viii.	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	The Bank has written to SECP regarding this requirement
ix.	Break-up value of securities intended to be acquired on the bases of latest audited financial statements	£ 1.27 per share (Based on 2012 audited accounts)
x.	Earning per share of the associated company or associated undertaking for the last three years.	2010: £ (0.02) per share 2011: £ 0.002 per share 2012: £ 0.04 per share 2013: £ 0.21 per share
xi.	Source of fund from which securities will be acquired	Bank's funds
xii.	Where the securities are intended to be acquired using borrowed funds  c) Justification for investment through borrowings and  d) Detail of guarantees and assets pledged for obtaining such funds	Not applicable

xiii.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	The investment is in the nature of further capital injection.
xiv.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Not applicable
xv.	Any other important details necessary for the members to understand the transaction	This is an investment in the shares of UBL UK by way of subscription to the right issue
xvi.	<p>In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information required, namely</p> <p>e) Description of the project and its history since conceptualization</p> <p>f) Starting and expected dated of completion of work</p> <p>g) Time by which such project shall become commercially operational; and</p> <p>h) Expected time by which the project shall start paying return on investment</p>	Not applicable

**Item No.9: Additional cost of PKR 0.516 million to be paid to government treasury due to rise in the External Auditors Fee for the year 2013 resulting from levy of 4% sales tax on services provided by auditors**

The shareholders of the Bank, in the 54th Annual General Meeting held on 29 March 2013, appointed M/s. KPMG Taseer Hadi and Co., Chartered Accountants, and M/s. BDO Ebrahim & Co., Chartered Accountants, as statutory auditors of the Bank for the year 2013 at a fee of PKR 6.455 million each with out-of-pocket expenses at actual.

Audit services have now been brought into the sales tax net from 1 July 2013 and are liable to sales tax @ 4% i.e. PKR 0.516 million. This tax would be borne by the Bank, being the final recipient of the service, under VAT model.

The levy of this sales tax would mean that the External Auditors will charge 4% over the amounts originally approved by the shareholders. The amount charged would be deposited in government treasury. The net fee to the external auditors would remain as previously approved. Out of pocket expenses would not be affected by this levy.



# Form of Proxy

## 55<sup>th</sup> Annual General Meeting of United Bank Limited

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of United Bank Limited ("UBL") and holder of \_\_\_\_\_ ordinary shares as per Share Register Folio No. \_\_\_\_\_ and / or CDC Participation I.D. No. \_\_\_\_\_ and Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/our and on my/our behalf at the 55<sup>th</sup> Annual General Meeting of UBL scheduled to be held on Friday, 28 March 2014 at 9:30 a.m. at Islamabad Serena Hotel, Islamabad and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

### Witness 1:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No. or Passport No: \_\_\_\_\_

Address: \_\_\_\_\_

Revenue Stamps  
of Rs.5/-

### Witness 2:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No. or Passport No: \_\_\_\_\_

Address: \_\_\_\_\_

(Signature should agree  
with the specimen signature  
registered with the Registrar)

### NOTE:

#### A. General:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person shall act as a proxy, who is not a member of UBL except that Government of Pakistan / State Bank of Pakistan / Corporation may appoint a person who is not a member.
2. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporation (other than Government of Pakistan and State Bank of Pakistan), its common seal should be affixed on the instrument.
3. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar/Transfer Agents, M/s. THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi, not less than 48 hours before the time of holding the meeting.
4. If a member appoints more than one proxy, and more than one instrument of proxy are deposited by a member with the Registrar, all such instruments of proxy shall be rendered invalid.

#### B. For CDC Account Holders:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC / Passport No. shall be mentioned on the form.
2. Attested copies of CNIC or the Passport of the beneficial owners of the proxy shall be furnished with the proxy form.
3. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

Affix  
Correct  
Postage

**Registrar**

M/s. THK Associates (Pvt.) Limited,  
2nd Floor, State Life Building No. 3,  
Dr. Ziauddin Ahmed Road,  
Karachi, Pakistan